

Message Text

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ORIGIN ARA-10

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02

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USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00

JUSE-00 SCS-03 SCA-01 /106 R

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EB/IFD/OIA - TBRODERICK (SUBS)

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FM SECSTATE WASHDC

TO AMEMBASSY QUITO

INFO AMCONSUL GUAYAQUIL

AMEMBASSY LONDON

C O N F I D E N T I A L STATE 053143

E.O. 11652: GDS

TAGS: EINV, ENRG, PFOR, EC US

SUBJECT: ADA CONSORTIUM APPEALS FOR ASSISTANCE

REF: QUITO 1494 (NOTAL)

1. SUMMARY: FOLLOWING RECENT COURT CASE REVERSING
EARLIER JUDGMENTS AGAINST INDIVIDUALS INVOLVED IN
ORIGINAL ADA CONSORTIUM CONTRACT, ADA MANAGEMENT NOW
PLANS RENEW CAMPAIGN TO ACHIEVE COMPENSATION. VIEWS
OF EMBASSY ON BEST MEANS TO PRESS ADA CASE ARE REQUESTED.

2. ADA CONSORTIUM MANAGER JOSEPH LASSITER ON MARCH 3
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REQUESTED DEPARTMENT'S ASSISTANCE IN SECURING APPROPRIATELY

HIGH-LEVEL APPOINTMENTS WITH GOE OFFICIALS IN ORDER TO ACCELERATE STALLED NEGOTIATIONS ON COMPENSATION THEIR NULLIFIED CONTRACT. BUOYED BY COURT OF MILITARY JUSTICE REVERSAL OF CHARGES AGAINST ALL DEFENDANTS APPEALING EARLIER CONVICTIONS (REFTTEL), ADA CONSORTIUM MEMBERS PLAN NOW TO PRESS FOR COMPENSATION, USING FACILITIES AVAILABLE IN US AND UK GOVERNMENTS. BRITISH COMPANY, ULTRAMAR(ONE OF FOUR COMPANIES REMAINING IN ADA CONSORTIUM), REPRESENTATIVE LEAVING HOUSTON FOR LONDON TODAY TO MAKE FORMAL REQUEST FOR ASSISTANCE.

3. IN RELATED DEVELOPMENTS, LASSITER REPORTED THAT ADA HAS BROUGHT CIVIL SUIT IN HARRIS COUNTY, TEXAS, AGAINST NORTHWEST PIPELINE CORPORATION AND ITS LISTED OWNERS INCLUDING EL PASO, APCO, ALASKA INTERSTATE, GULF INTERSTATE AND TIPPERARY, FOR BREACH OF SECRECY AGREEMENTS SIGNED SOME YEARS AGO WHICH,AMONG OTHER THINGS, PLEDGED THAT NO COMPANY EXAMINING ADA RECORDS WOULD LATER USE INFORMATION TO MAKE SEPARATE OFFERS TO GOE.

4. CITING ECUADOREAN NEWSPAPER ARTICLES CRITICAL OF ORIGINAL GOE DECISION TO BRING CHARGES AGAINST ADA PRINCIPALS, LASSITER INDICATED THAT CONSORTIUM PLANS MOUNT PUBLIC RELATIONS CAMPAIGN IN ECUADOR IN ORDER FORCE PRESENT GOVERNMENT TO FOCUS ON MATTER OF COMPENSATION. ONE IMPORTANT DEFENDANT ABSOLVED IN RECENT COURT DECISION, OSWALDO GONZALEZ, WHO HAS BEEN WORKING FOR SOME TIME IN QUITO QUOTE INCOGNITO UNQUOTE WILL RETURN OFFICIALLY TO ECUADOR TOMORROW. A FORMER PROMINENT QUITO LAWYER, GONZALEZ EVIDENTLY PLANS A LARGE WELCOME HOME PARTY FOR HIMSELF AND PRESS CONFERENCES IN ORDER TO FOCUS PUBLIC ATTENTION ON NEED TO COMPENSATE ADA IN ORDER PROTECT ECUADOR'S INTERNATIONAL REPUTATION.

5. WHEN INFORMED THAT CERTAIN OTHER DEVELOPMENTS IN THE ECUADOREAN PETROLEUM SITUATION MIGHT AFFECT THAT STANDING, LASSITER APPEARED KNOWLEDGEABLE AND INDICATED THAT HIS COMPANY HAS ALWAYS MAINTAINED GOOD RELATIONS WITH MINISTER CONFIDENTIAL

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OF NATURAL RESOURCES VARGAS, AND THAT ADA CONSIDERED HIS NOMINATION AS MINISTER TO BE A SUBSTANTIAL PLUS IN THEIR EFFORTS TO SECURE COMPENSATION. NEVERTHELESS, LASSITER STATED THAT ADA LAWYER CARLOS JIMENEZ HAS QUOTE BEEN KNOCKING ON A LOT OF DOORS UNQUOTE TO REOPEN THE CASE WITHOUT SUCCESS. LASSITER INDICATED THAT COMPANY MAY SECURE ADDITIONAL LEGAL SERVICES AS JIMENEZ, WHO WAS ORIGINALLY SUGGESTED TO THE CONSORTIUM BY FORMER MINIS-

TER JARRIN, DOES NOT APPEAR TO HAVE SUFFICIENT POLITICAL PUNCH.

B. IT HAS NOW BEEN OVER A YEAR SINCE THERE WAS ANY DISCERNIBLE SIGN OF ACTIVITY IN THE TWO COMMISSIONS NAMED TO STUDY THE ADA CASE. GOVERNMENT CHANGES HAVE, IN ANY CASE, ALTERED MEMBERSHIP OF COMMISSIONS. ALTHOUGH EMBASSY HAS BEEN CONCERNED FOR SOME TIME THAT EFFORTS TO PRESS ADA ISSUE MIGHT LEAD TO SUBSEQUENT EMBARRASSMENT IF IMPROPRIETIES WERE DISCOVERED IN THE ORIGINAL CONTRACT AWARD, RECENT MILITARY TRIBUNAL JUDGMENTS

ABSOLVING MOST OF THE DEFENDANTS WOULD APPEAR TO HAVE CREATED A NEW SITUATION. EMBASSY IS REQUESTED PROVIDE SUMMARY OF ACTIONS IT BELIEVES OPEN AT PRESENT TIME BOTH TO THE USG AND TO ADA IN ORDER TO PRESS THE COMPENSATION QUESTION.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LITIGATION, NATIONALIZATION, PETROLEUM INDUSTRY, CONSORTIUMS, COURT DECISIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE053143
Document Source: CORE
Document Unique ID: 00
Drafter: LA/E: WSCLARKE:GFH
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760084-0107
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760393/aaaadelr.tel
Line Count: 134
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 QUITO 1494
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 13 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13 MAY 2004 by ifshinsr>; APPROVED <08 SEP 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ADA CONSORTIUM APPEALS FOR ASSISTANCE
TAGS: EINV, ENRG, PFOR, EC, US, ADA
To: QUITO
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006